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RUCNDT/USMISSION USUN NEW YORK PRIORITY 8224
RUEHJI/AMCONSUL JEDDAH PRIORITY 1014
RUEHJM/AMCONSUL JERUSALEM PRIORITY 1582
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
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RHMFIUU/COMSIXTHFLT PRIORITY

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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR X0XX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

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SUBJECT: SPECIAL ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Secretary Clinton to Israel, West Bank, March 2-4, 2009

Key stories in the media:

Yediot reported that yesterday Secretary of State Hillary Clinton told her Israeli hosts that she Qfeels at homeQ in the country. The Jerusalem Post quoted her as saying that no nation can idly stand by while attacked. All media reported that yesterday Secretary Clinton stressed before her Israeli interlocutors that the Obama

administration is committed to a solution of two states for two peoples, which she described as "inevitable." HaQaretz reported that yesterday Secretary Clinton was critical of the "economic peace" plan of PM-designate Benjamin Netanyahu and said that an economic initiative without a political solution had no chance to succeed. Conversely, The Jerusalem Post reported that Secretary Clinton told Netanyahu that the U.S. does not want to be tied to "old formulas" in moving the diplomatic process forward. Netanyahu described the meeting as "important, deep and very good." The Jerusalem Post quoted diplomatic sources as saying that Clinton made clear that the U.S. had certain goals in mind for the region, but was willing to look at various ways of reaching them and was not married to any particular formula, especially since there was a recognition that the formulas of the past had failed. Clinton said during a press conference after meeting with Foreign Minister Tzipi Livni that a two-state solution is among those goals, however, The Jerusalem Post quoted, Zalman Shoval, a top foreign policy adviser to Netanyahu, as saying that the issue did not come up in the 90-minute Clinton-Netanyahu conversation. Also, according to Shoval, the matter of settlements was not raised, nor was the word "Annapolis" mentioned. Netanyahu was joined in the meeting by two other key foreign policy advisers, Uzi Arad and Yitzhak Molho, and Clinton was accompanied by US envoy George Mitchell and American Ambassador James Cunningham.

Later, Clinton met with Defense Minister Ehud Barak. HaQaretz reported that she said that Israel must do more to open the border crossings into the Gaza Strip to larger amounts of humanitarian assistance so that civilians there could get some relief. She also appealed for a broadening of the list of items that it considers "humanitarian aid," and called the humanitarian situation there problematic. HaQaretz reported that the Secretary of State told Barak that it is important to be sensitive to the needs of the Palestinian civilians. HaQaretz reported that, during her meeting with Netanyahu, Clinton said that it is important for Israel to consider whether the closing of the crossings may be more harmful than it is useful. HaQaretz reported that Barak told Clinton that since the completion of Operation Lead Cast, 127,000 tons of food, medicine and equipment have been delivered through the crossings. He also said that more than 12 million liters of fuel was delivered to power the electric plant in the Gaza Strip.

HaQaretz and The Jerusalem Post reported that the issue of Iran's nuclear armament dominated Clinton's meetings. The Jerusalem Post quoted Zalman Shoval as saying that Netanyahu stressing the time element, and saying that while he did not dispute the U.S. policy of engaging Iran, it was important to ensure that the Islamic republic not drag out the talks and secure nuclear arms in the meanwhile. Shoval also said that Netanyahu emphasized that a nuclear Iran would completely change the whole peace process equation in the region and that more and more moderate Arab states would -- out of concern for self-preservation -- move into the Iranian orbit. Shoval was quoted as saying that this argument contrasted with one often heard in the U.S. that the key to neutralizing Iran was an Israeli-Palestinian peace deal. Under Netanyahu's formulation, unless Iran's nuclear ambitions were stopped, the chances of any peace agreement would evaporate. The Jerusalem Post reported that Netanyahu is expected to travel to Washington for a meeting with President Obama shortly after forming a government coalition. "We need to think creatively in order to move forward and create a different reality, both in terms of security and politically, and this is a common goal for both sides," Netanyahu was quoted as saying.

The Jerusalem Post reported that Ehud Barak urged Clinton to tighten sanctions on Tehran. "In order for the sanctions to be effective," Barak said, "it is necessary to include Russia, India and China. Only that way would it become clear to the world in a short time whether sanctions and dialogue have a chance." In parallel with support for sanctions against Iran, "Israel was not taking any option off of the table, and recommended to other nations to act in a similar manner," Barak said. The Jerusalem Post quoted Clinton as saying at the press conference following her earlier meeting with Livni, that Israel and the US shared an understanding on Iran. Media quoted Clinton as saying that no one would be "confused" by the Obama administration's talk about engagement with Tehran. The Jerusalem Post quoted her as saying: "Our goal remains the same: to dissuade and prevent Iran from acquiring nuclear weapons and continuing to fund terrorism." HaQaretz reported that Clinton

proposed a Qstrategic regional umbrella.

HaQaretz reported that the former deputy chief of the Shin Bet security service, currently a visiting fellow at a research institute in the U.S., warned recently that Egypt's failure to stop the arms smuggling into Gaza from Sinai "almost ensures an eventual resumption of hostilities in Gaza.Q The former security official published a paper on the subject in which he charged that "Egypt is averse to recognizing the severity of the issue."

HaQaretz cited the Kuwaiti newspaper Al-Jarida as saying yesterday, quoting Palestinian sources, that Moussa Abu Marzouk, the deputy head of Hamas's political bureau, has received a letter from Gilad Shalit. Al -Jarida said the letter, whose contents were not divulged, will be handed over to the Syrian foreign ministry. HaQaretz quoted a group advocating ShalitQs release as saying that Shalit's father, Noam Shalit, might speak with Secretary Clinton today.

HaQaretz and other media reported that nine Palestinians were wounded yesterday in an IAF strike in southern Gaza, near Rafah, that was aimed at arms-smuggling tunnels and came in reaction to rocket fire from Gaza. Six tunnels were damaged in the air strike, and the IDF said explosives in the tunnel caused a secondary blast. In a separate incident, IDF forces fired warning shots and two mortar shells at three armed militants spotted approaching the Gaza border fence yesterday morning, the army said. It said they were planning to place explosives on the fence, but fled when the IDF opened fire. In addition, Palestinians in Gaza fired two Qassam rockets at southern Israel last night.

All media quoted Secretary Clinton as saying in Jerusalem yesterday that the U.S. will send two senior administration officials to Damascus this week to work on bilateral ties. Maariv quoted a senior Israeli diplomatic source as saying than Netanyahu will not be able to dodge negotiations with Syria.

HaQaretz reported that Yisrael Beiteinu Chairman Avigdor Lieberman is considering appointing attorney Dov Weisglass as his special envoy if Lieberman is appointed foreign minister. Weisglass, who served as bureau chief to former PM Ariel Sharon and as Sharon's special envoy to the U.S., has been friendly with Lieberman for many years and also served as Lieberman's lawyer for a considerable time. HaQaretz also reported that Lieberman is demanding that former ambassador to the U.S. Danny Ayalon, an Yisrael Beiteinu Knesset member, be appointed deputy foreign minister.

The Jerusalem Post quoted Netanyahu associates as saying that Netanyahu has given Labor Party leader Ehud Barak until next week to persuade his partyQs Knesset members to join the next government coalition before he give up on them and finalizes a narrow government of right-wing parties.

The Jerusalem Post reported that, after years of being off limits, Haifa is enjoying once again being a port of call for the U.S. Navy.

HaQaretz quoted British Secretary of State for International Development Douglas Alexander as saying in Washington that war crimes carried out by senior Israeli officials must be investigated.

BLOCK QUOTES

Summary:

Journalist and author Gershom Gorenberg wrote in the independent, left-leaning Ha'aretz: QNetanyahu's marketing skills and his fluent English won't rescue him from the basic contradiction between his positions and those of the new administration. In liberated Washington, neither will Congress save him.

The conservative, independent Jerusalem Post editorialized: QQThe inevitability of working toward a two-state solution is inescapable,Q [Secretary] Clinton said. It would be better for us all were she to make clear to Abbas that nothing is Qinescapable

unless the Palestinians inject some pragmatism into their negotiating position.

Eytan Haber, veteran op-ed writer and assistant to the late prime minister Yitzhak Rabin, opined in an editorial of the mass-circulation, pluralist Yediot Aharonot: Q[Secretary Clinton and other leaders] did not protest about the absence of Israeli representatives [at the donors conference]. Far-left Palestinian affairs correspondent Amira Hass wrote in Ha'aretz: QSupport for Israeli policy -- this is the only way to understand the fact that other countries keep pouring in hundreds of millions of dollars meant to put out the fires set by this policy, without extinguishing the source of the blaze.

Block Quotes:

I. QWhat Bibi Faces in Liberated Washington

Journalist and author Gershom Gorenberg wrote in the independent, left-leaning Ha'aretz (3/4): QThe standard assessment says that after his return to power, Benjamin Netanyahu will have a tense time when he visits Washington -- just as he did during his first term when he faced a president who demanded that he advance a peace process. That assessment isn't quite right -- because this time, Netanyahu is likely to have an even more tension-fraught time than he did in the 90s. In his new term, he won't be able to count on Congress as a counterweight to the administration in his relations with America. Congress' attitude toward the Arab-Israeli conflict has begun to shift. The conservative line of AIPAC, the veteran pro-Israel lobby, is no longer the only understanding of how to support Israel. The principle of two states for two peoples has become conventional wisdom on the Hill, as someone with a close knowledge of Congressional discussions of foreign policy recently told me. That's the same principle that Netanyahu refused to endorse during his talks with Tzipi Livni. Netanyahu's marketing skills and his fluent English won't rescue him from the basic contradiction between his positions and those of the new administration. In liberated Washington, neither will Congress save him.

II. QClinton in Ramallah

The conservative, independent Jerusalem Post editorialized (3/4): Q[Secretary of State Hillary] Clinton urged the Palestinians Qto break the cycle of rejection and resistanceQ -- an unfortunate euphemism for anti-civilian warfare. Perhaps, by speaking even more forthrightly in Ramallah today, she can help Palestinians reverse 60 years of self-defeating rejectionism and encourage the kind of pragmatism that's historically been absent from the Palestinian body politic. The U.S. has made a key contribution to building Palestinian institutions with the goal of making them accountable and transparent. Much, much more needs to be done. As the security situation has allowed, Israel has been incrementally fostering conditions - ease of travel up and down the West Bank, for instance -- that enhance Palestinian dignity while massively improving the local economy. Regarding the settlement issue, the maintenance of strategic settlement blocs Q Q1967-plusQ -- far from being Qobstacles to peace,Q actually make a deal palatable to Israelis, the manipulative lobbying by foreign-funded groups such as Peace Now notwithstanding. QThe inevitability of working toward a two-state solution is inescapable,Q Clinton said. It would be better for us all were she to make clear to Abbas that nothing is Qinescapable unless the Palestinians inject some pragmatism into their negotiating position.

III. QSawdust at Sharm el-Sheikh

Eytan Haber, veteran op-ed writer and assistant to the late prime minister Yitzhak Rabin, opined in an editorial of the mass-circulation, pluralist Yediot Aharonot (3/4): QEighty-one kings, presidents, prime ministers, and ministers appeared at the conference convened by the Egyptian President at Sharm el-Sheikh. The conference discussed our affairs Q in neighboring Gaza. Who was not invited? Right, a representative of the Israeli government. So what, Israelis will say, who cares, who needs us? Well, Secretary of State Hillary Clinton also attended the conference. She is generally credited with the title Qfriend of Israel.Q President

Sarkozy, who is also blessed with that title, and other also did not protest about the absence of Israeli representatives.

IV. QThe Israel Donors Conference

Far-left Palestinian affairs correspondent Amira Hass wrote in Ha'aretz (3/4): QThe \$900 million pledged to the Palestinians in Sharm el-Sheikh should be seen as part of the regular American aid to Israel. As an occupying power, Israel is obligated to assure the well-being of the population under its control. But Israel is harming it instead, after which the United States (like other countries) rushes to compensate for the damage. The Clinton and Bush administrations -- and Barack Obama appears to be following in their footsteps -- erased the phrase QIsraeli occupationQ from their dictionaries and collaborated with Israel in ignoring its commitments as enshrined in international law. The billions of dollars that Israel receives from the United States for weapons and defense development -- which played a significant role in the destruction in the Gaza Strip -- are part of Israel's successful propaganda, which presents the Rafah tunnels and Grad rockets as a strategic threat and part of the Islamic terror offensive against enlightened countries. During the 1990s it was still possible to describe donations to the Palestinians as an expression of confidence and hope in Israel's readiness to free itself of the occupation regime it had created. But not in 2009. Support for Israeli policy -- this is the only way to understand the fact that other countries keep pouring in hundreds of millions of dollars meant to put out the fires set by this policy, without extinguishing the source of the blaze.

CUNNINGHAM